

Small Scale Industries (MSMEs) in Himachal Pradesh : A Pivotal Look

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Abstract

The micro, small, and medium enterprises (MSMEs) sector accounts for about 45% of the manufacturing output and 40 % of the total exports of the country. Himachal Pradesh has made a significant achievement in the field of industrialization in the past few years. With the ushering in of the liberalized economy and notification of special package of incentives for the state, the flow of investment has resulted in a very good response for setting up new industrial ventures in the state. The forth census report on SSI (MSME) published by the Government of Himachal Pradesh was considered to study the profile of the small scale industries.

Keywords: MSME, industrialization, liberalization, small scale units

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Micro, small, and medium enterprises (MSMEs), including khadi and village/rural enterprises are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. They also play a key role in the development of economies with their effective, efficient, flexible, and innovative entrepreneurial spirit. The socioeconomic policies adopted by India since the Industries (Development and Regulation) Act, 1951 have laid stress on MSMEs as a means to improve the country's economic conditions.

The Ministry of Small Scale Industries and Agro and Rural Industries was first created on October 14, 1999. On September 6, 2001, it was further bifurcated into two separate ministries, namely, the Ministry of Small Scale Industries and the Ministry of Agro and Rural Industries. Subsequent to the enactment of Micro, Small and Medium Enterprises Development Act, 2006 by the Parliament, the President, under Notification dated May 9, 2007, amended the Government of India (Allocation of Business) Rules, 1961. Pursuant to this amendment, the Ministry of Agro and Rural Industries and Ministry of Small Scale Industries were merged into a single ministry, namely, the Ministry of Micro, Small and Medium Enterprises. This Ministry designs policies and promotes/facilitates programmes, projects, and schemes and monitors their implementation with a view to assisting MSMEs and helps them scale up. The primary responsibility of promotion and development of MSMEs is of the State Governments. However, the Government of India supplements the efforts of the State Governments through various initiatives.

The role of the Ministry of Micro, Small and Medium Enterprises (MSME) and its organizations is to assist the states in their efforts to encourage entrepreneurship, employment, and livelihood opportunities and enhances the competitiveness of MSMEs in the changed economic scenario (Ministry of Micro Small and Medium Enterprises, Annual Report, 2011-2012).

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Small Scale Industry (MSMEs) in Himachal Pradesh

Himachal Pradesh has made a significant progress in the field of industrialization in the past few years. With the ushering in of the liberalized economy and consequent delicensing and notification of a special package of incentives for the state, the flow of investment in the state has increased manifold, resulting in a very good response for setting up new industrial ventures in the state.

At present, there are 471 medium and large scale industries registered in the state having an investment of ₹ 8918.60 crore and employment potential of about 55823 persons. In addition, there were about 11931 registered small-scale industries (MSME) having an investment of about ₹ 4573.59 crore and employment potential of 65148 persons (Ministry of Micro Small and Medium Enterprises (MSME), 2007). With a view to accelerate the pace of industrialization and to generate more employment opportunities in the industrial sector in the state, the Govt. of India notified a new package of incentives for the state of Himachal Pradesh on January 7, 2003. The special package of incentives included fiscal incentives, for example, investment subsidy on plant & machinery @ 15% subject to a maximum subsidy of ₹ 30 lakh, 100% outright excise duty exemption for a period of 10 years (this component of the package was withdrawn on 31.3.2010), and 100% income tax exemption for an initial period of 5 years, and thereafter, 30% exemption for companies and 25% for individuals for another period of 5 years to new units as well as units undertaking substantial expansion (Department of Industries, Government of Himachal Pradesh, 2012).

Review of Literature

According to Mitra (2006), the term globalization means economic integration and market liberalization, but it also triggers social and political discord. The Central government decided to adopt new economic policy in the year 1991. The main theme of this new policy was liberalization, privatization, and globalization. The first generation of the reform process was already over and now we had entered in the second generation of the reform process. The small scale industries have been playing a vital role with regards to the number of units, value of goods produced, number of people employed, and generation of revenues. However, this sector faces many challenges as the government has decided to withdraw the privileges extended to it earlier, as a matter of its newly declared policy. Hence, in order to compete with the big firms both at the national and international level, our small scale industries have to equip themselves with the latest technology. Now, the government should extend its all round support to these small scale enterprises so that they can face the new challenges effectively and efficiently, because the survival and growth of this sector is very much needed for the all-round development of our country.

Mathivannan and Selvakumar (2008) concluded that more than two-thirds of the women entrepreneurs were below 40 years of age, and three-fourth belonged to the backward community. Majority of the women entrepreneurs had studied upto the school level and earned upto ₹1lakh annually. Majority of them had entrepreneurial and employment experience before starting their business. The study revealed that nearly two-thirds of the enterprises were located in rural areas and more than three-fourth of the enterprises were manufacturing units.

Rao's (2010) study revealed that one fourth of the enterprises run by women entrepreneurs in the West Godavari District were located within the industrial estate. More than three-fourth of the enterprises were manufacturing and processing units. More than half of the enterprises belonged to sole proprietary firms. The author suggested that the government may appoint a special task force consisting of technically and professionally qualified people for continuously monitoring the performance of the small scale units.

Datta (2011) explained that the growing incidence of industrial sickness in the small, medium, and large sectors has become a cause of considerable concern for all quarters. Incidence of industrial sickness is no doubt a global phenomenon. But then, can our country accept such situations? The economies of developed countries have the resilience to absorb the economic imbalances brought about by the closure of industry units. However,

the problem of industrial sickness has adverse repercussions on the economy of our country as it can neither afford unemployment nor loss of production by keeping the capital assets idle. With the opening up of the Indian economy in the global market, Indian industries have been finding it very difficult to compete under the changed environment. Globalization, which is the centerpiece of the process of change in the 1990s followed by liberalization and privatization, led the Indian industries to much better interdependence in the world economy. The process of globalization has provided tremendous opportunities to the Indian industries with respect to trade, inflow of foreign investment, technology, skills, and market access. On the other hand, it has pushed Indian industries to greater risk of being marginalized as they may not be able to integrate fully into the global economy and enjoy its benefits.

Need of the Study

Small scale industries (MSME) play a strategic role in the progress of the country. These industries, by and large, represent a stage of economic transition from traditional to modern technology. One of the major problems in developing new small scale industries according to modern lines of manufacturing is the shortage of finance. In the absence of this powerful grease, a number of well conceived schemes have been confined to their existence on paper and did not find an opportunity to fruition. This problem is so severe and extensive that every problem, whether it is of inadequacy of raw materials, shortage of power, labour of marketing - it turns its ultimate analysis to the problem of finance.

In recent years, several policy initiatives and procedural simplifications have been undertaken by the government to support the small scale sector and to enhance its competitive strength. Furthermore, from the review of literature, it is observed that only a few studies have been conducted on the small scale industries. These studies have little relevance in the present context. There exists a research gap too. Therefore, the present paper is an attempt to study the profile of SSIs in Himachal Pradesh as the small scale industries have a tremendous scope in this state.

Research Methodology

The paper is based on secondary data, which were collected from various sources. This information was available from both published as well as unpublished documents of Directorate of Industries. The 4th census report on SSIs published by the Government of Himachal Pradesh was used to examine the profile of the small scale industries. After the collection of data from both sources, it was properly classified, analyzed, and interpreted by applying mathematical tools like percentage.

Analysis and Results

Profile of Small Scale Industries (MSMEs) in Himachal Pradesh

As per the 4th census report on SSIs (MSMEs), there were 11931 registered units in Himachal Pradesh, out of which, 9489 units were located in the rural areas and 2442 units were located in the urban areas (Table 1). It can be observed that there were 136 ancillary units in the MSME sector. The majority of the units (92.16 %) were engaged in manufacturing, assembling, and processing activity, and only 5.07% and 2.77% of the units were engaged in repair and maintenance and services respectively. Out of the total units, 93.14% of the units were permanent. As far as women participation was concerned, 10.98% of the units were owned by women entrepreneurs and 7.69% of the units were managed by women. Out of the total employees in this sector, 90.05% of the employees were men and 9.95% of the employees were women. It is also revealed from the Table that 93.35% of the units were managed by a sole proprietor, 3.09 % were in partnership, 1.58% were private companies, 1.09% were public limited firms, 0.64% were co-operatives , and 0.24% were other categories.

Furthermore, the 4th census report (2006-2007) depicts that the small scale industries (MSME) had the maximum concentration in the rural areas as compared to urban areas. It implies that rural development is the obvious consequence of establishment of small scale industries (MSME). The majority of the industries are engaged in the manufacturing process. This may be due to the availability of ample raw material. The industrial sector of the state is lacking the servicing units. This may be due to the lack of concession and subsidies for the servicing units. Therefore, appropriate efforts should be made for the promotion of the service sector. The number of exporting units are also very less. This shows that entrepreneurs are not contributing considerably. Therefore, it is suggested to offer more of export promoting schemes and programmes. There was also no significant improvement in the participation of women - either through entrepreneurship, management, or employment - since the third census (2001-2002). It was observed that a proper setup for women entrepreneurship training is required.

The industrial sector of the state has a majority of sole proprietors. This implies that the entrepreneurs lacked the awareness about other types of establishments or lacked the required support system. Therefore, other forms of establishment need to be promoted. The small scale industries (MSME) of Himachal Pradesh are not only producing for domestic consumption, but they also have some share in exports. There are 120 exporting units, which were exporting goods worth ₹ 312.02 crore and were earning foreign exchange for the state. Thus, on the basis of the above analysis, it can be concluded that the small scale industries (MSME) have been playing a significant role in the overall development of the state by generating employment and earning foreign exchange.

The Table 2 shows the district-wise distribution of registered units in Himachal Pradesh. It is revealed from the Table that district Kangra (22.66%) had the maximum concentration of small scale industries (MSME), which is further followed by Shimla (12.57 %), Mandi (12.18 %), Hamirpur (8.33 %), Solan (8.19 %), Sirmaur (7.42 %), and Bilaspur (7.41 %). These districts together had a share of 78.76% of the total small scale industries in Himachal Pradesh. Other districts had almost equal distribution of small scale industries (MSME) except Kinnaur and Lahaul & Spiti. These are the industrially backward districts, but these districts have a huge potential. There is a vast potential of handloom industry in these districts. Keeping in view the changing scenario, there is a need to diversify the existing products by introducing a diversified product range according to the modern trends. Furthermore, these districts (Kinnaur and Lahaul & Spiti) have natural treasures in terms of valuable herbs, plants, flora and fauna, and so forth. There is a vast scope of processing these herbs, shrubs, and medicines within these districts. These industries must be provided with high quality infrastructure in terms of marketing, training, financial, and technical support.

The Table 3 depicts the percentage distribution of units in the small scale industries (MSME) in Himachal Pradesh, distribution-wise and sector-wise, by nature of activity. It is evident that a majority (88.27%) of the units were engaged in manufacturing, 4.82% of the units were engaged in repair and maintenance, while 6.91% of the units were dealing with services. District Solan had the maximum number of manufacturing units. This shows that the District Solan is prosperous in case of raw materials as compared to other districts. The repair and maintenance units were maximum in Shimla, whereas Lahaul & Spiti lead in services units. This implies that due to geographical topography, Lahaul & Spiti District is unable to establish basic infrastructure required for setting up manufacturing units. To exploit the vast potential of this district, it is necessary to develop basic infrastructure for the promotion of manufacturing units and these units should be promoted in the districts which can supply the needed raw material for their needful activities locally. Furthermore, other marketing assistance should also be provided to the locally based industries.

The employment profile of the small scale industries (MSME) is shown in the Table 4. It is evident that this sector had employed 65148 persons during the reference period. The five districts, that is, Solan (33.60%), Sirmaur (16.55%), Kangra (11.99%), Una (9.24%), and Mandi (8.67%) put together had a share of 80.05% in the total employment. This shows that Solan District contributed the highest from the manpower point of view. District Lahaul & Spiti lacked in employment opportunities, may be due to the low growth rate of industries and population owing to its rugged topography. It implies that there is a need to set up more industries to exploit the available potential of the district. The small scale industry is also faced with the problem of low availability of professionally educated persons to be employed in the industry. It is very necessary to make them capable to earn

Table 1. Composition of Small Scale Industries (MSMEs)

Parameters	Distribution	% Distribution
Total no. of working enterprises	11931	100
No. of rural units	9489	79.53
No. of urban units	2442	20.47
Nature of activity: Manufacturing/assembling/processing	10530	92.16
Repair & maintenance	824	5.07
Services	577	2.77
Number of enterprises running perennially	11193	93.14
Number of women enterprises	1310	10.98
Number of enterprises managed by women	918	7.69
Employment: Male	58667	90.05
Female	6481	9.95
Enterprises by type of social category:		
SC	2173	18.21
ST	524	4.39
OBC	1564	13.11
Others	7670	64.29
Enterprises by type of organization:		
Proprietary	10908	93.35
Partnership	472	3.09
Private company	305	1.58
Public Ltd. company	138	1.09
Co-operatives	78	0.64
Others	30	0.24
Number of exporting units	120	1.01
Number of Ancillary Units	136	1.13
Value of exports (in ₹ crore)	312.02	100
Total original value of plant and machinery (in ₹ crore)	740.21	100
Market value of Fixed assets (in ₹ crore)	3082.36	100
Total gross output (in ₹ crore)	11780.97	100
Enterprises by main source of power:		
No power needed	1244	10.43
Coal	97	0.81
Oil	57	0.48
LPG/CNG	22	0.18
Electricity	10298	86.31
Non conventional energy	91	0.51
Traditional energy/ Firewood	96	0.80
Others	56	0.48
Enterprises by source of finance		
Finance through institutional sources	2490	20.8
Finance through non-institutional sources	100	0.84
Finance through both	568	4.76
No finance/ self finance	8773	73.53

Source: Ministry of Micro Small and Medium Enterprises (MSME). (2007). Fourth all India census of micro, small and medium enterprises (2006-2007): Unregistered Sector. New Delhi: Government of India.

Table 2. District-Wise Distribution of Small Scale Industries (MSMEs)

Name of District	No. of units in the Total SSI (MSME) Sector	Percentage to Total
Chamba	667	5.60
Kangra	2702	22.66
Lahaul & Spiti	82	0.68
Kullu	634	5.31
Mandi	1453	12.18
Hamirpur	993	8.33
Una	844	7.04
Bilaspur	883	7.41
Solan	976	8.19
Sirmour	886	7.42
Shimla	1499	12.57
Kinnaur	312	2.62
Total	11931	100.00

Source: Ministry of Micro Small and Medium Enterprises (MSME). (2007). Fourth all India census of micro, small and medium enterprises (2006-2007): Unregistered Sector. New Delhi: Government of India.

Table 3. Percentage Distribution of Units in the Total MSME Sector, Distribution-Wise and Sector-Wise, by Nature of Activity

Name of District	Manufacturing		Repair & Maintenance		Services		Total
	Rural	Urban	Rural	Urban	Rural	Urban	
Chamba	78.11	11.24	2.55	2.10	4.35	1.65	100
Kangra	84.62	7.00	1.60	0.60	5.03	1.15	100
Lahaul & Spiti	55.84	16.88	2.60	2.60	10.39	11.69	100
Kullu	61.01	21.08	3.17	5.55	4.28	4.91	100
Mandi	81.22	11.46	1.93	0.76	3.45	1.17	100
Hamirpur	77.44	10.98	1.91	2.11	5.24	2.32	100
Una	65.13	22.84	1.34	1.70	3.77	5.22	100
Bilaspur	79.20	10.91	1.48	1.59	4.55	2.27	100
Solan	47.29	47.18	1.22	1.33	1.33	1.66	100
Sirmour	78.95	8.70	2.86	1.49	5.38	2.63	100
Shimla	58.63	16.32	4.30	10.48	2.62	7.66	100
Kinnaur	91.83	2.61	2.29	0.33	2.61	0.33	100
Total	73.47	14.80	2.20	2.62	4.04	2.87	100

Source: Ministry of Micro Small and Medium Enterprises (MSME). (2007). Fourth all India census of micro, small and medium enterprises (2006-2007): Unregistered Sector. New Delhi: Government of India.

their livelihood. Therefore, various programmes should be organized to provide the required training. Training helps them to develop and improve their skills and enables them to capture the available employment opportunities.

The Table 5 depicts the total gross output of the small scale sector (MSME), that is, ₹11786.29 crore. It is evident from the Table that Solan (58.67%) and Sirmaur (23.67%) contributed to a major share of the total gross output of the state. These districts together had a share of 82.34% in the total gross output of the state. This is the gross under estimate as compared to the official estimates. The reason for the underestimation is that the

entrepreneurs either did not report the production at all or had under reported the production. Lahaul & Spiti was the least contributor in the gross output of the state. Industries in these areas use local raw materials, low level technology, and manual methods. These factors result in low productivity. Therefore, for the survival of these industries, technological upgradation, skill development, and professional training should be provided to the small scale units.

Percentage distribution of principal characteristics by gross output slabs is exhibited in the Table 6. Distribution of principal characteristics by gross output in the Table reveals that 74.09% of the units had gross output less than ₹ 5 lakhs. It can also be seen from this Table that large output units (with output of more than ₹1 crore) accounted for 85.48 % of the output. However, these units only comprised of 3.92% of the total units . There are few units in the state whose output was more than ₹ 5 crore. These units are significantly contributing in employment, fixed capital, and exports of the state, which implies that the contribution of the small units (output

Table 4. Employment Generated in the MSME Sector (District-Wise)

Name of District	Total Employment	Percentage Employment
Chamba	1532	2.35
Kangra	7602	11.67
Lahaul & Spiti	251	0.38
Kullu	3080	4.73
Mandi	5481	8.41
Hamirpur	2310	3.55
Una	5942	9.12
Bilaspur	1790	2.75
Solan	22905	35.16
Sirmour	10570	16.22
Shimla	3165	4.86
Kinnaur	520	0.80
Total	65148	100.00

Source: Ministry of Micro Small and Medium Enterprises (MSME). (2007). Fourth all India census of micro, small and medium enterprises (2006-2007). Unregistered Sector : New Delhi.

Table 5. Percentage Distribution of Gross Output in the Total MSME Sector (District-Wise)

Name of District	Percentage Gross Output
Chamba	0.38
Kangra	4.35
Lahaul & Spiti	0.04
Kullu	1.15
Mandi	2.69
Hamirpur	0.33
Una	6.30
Bilaspur	1.11
Solan	58.67
Sirmour	23.67
Shimla	0.89
Kinnaur	0.41
Total	100.00

Source: Ministry of Micro Small and Medium Enterprises (MSME). (2007). Fourth all India census of micro, small and medium enterprises (2006-2007); Unregistered Sector. New Delhi: Government of India.

Table 6. Percentage Distribution of Principal Characteristics by Gross Output Slabs

Gross Output Slabs (₹ Lakhs)	No. of Units	Employment	Fixed Capital	Orig. val. of P & M	Gross Output	Export
Up to 1	33.85	9.54	2.67	1.49	0.43	5.55
1 to 2	16.69	6.85	3.09	2.36	0.55	1.78
2 to 5	23.55	12.96	8.15	8.61	1.64	3.80
5 to 10	8.01	7.19	6.10	4.29	1.28	2.62
10 to 15	3.36	4.15	4.10	3.35	0.92	0.44
15 to 20	2.15	3.30	3.93	3.03	0.83	0.75
20 to 25	1.45	2.48	3.35	2.79	0.73	0.16
25 to 30	1.12	2.14	2.66	2.34	0.68	0.61
30 to 50	2.73	5.73	7.06	7.01	2.37	2.10
50 to 70	1.47	4.03	4.30	5.01	1.95	1.06
70 to 100	1.70	5.47	6.87	7.16	3.15	0.85
100 to 200	1.48	6.65	7.33	10.42	4.68	3.71
200 to 500	1.24	8.75	10.97	15.90	8.57	7.66
Above 500	1.20	20.75	29.44	26.25	72.23	68.92
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: Ministry of Micro Small and Medium Enterprises (MSME). (2007). Fourth all India census of micro, small and medium enterprises (2006-2007): Unregistered Sector. New Delhi: Government of India.

less than ₹ 5 crore) is not significant. In these industries, the rate of employment is comparatively low. This may be due to the shortage of skilled manpower and leads to their inability to get the required workers. Employment can be generated by providing proper training to the locals. This will also provide mutual benefit to the firms and the local bodies. The small units have low rate of investment in fixed capital and plant & machinery. This shows that there is a problem of getting loans. Therefore, the banks and financial institutions should come forward to solve this problem. They should simplify their procedures and minimize the interest rate so that these industries would be able to get the required financial assistance. Furthermore, the exports of these industries are not up to the expectations. To earn more foreign currency, it is essential to develop more export promoting schemes. In these schemes, more concessions and subsidies should be provided. Thus, it can be concluded that these units needed more assistance to boost their growth.

The Table 7 reveals the distribution of principal characteristics by type of organization. It is clear from the Table that proprietary firms had the maximum share in working units and generating employment. Whereas, public limited companies lead in value of plant and machinery, market value of fixed assets, total input, and exports of the state. Private companies contributed more in gross output, gross value added, and net worth of the units. There are few cooperatives and other types of organizations. The others may include the unit owned by a trust and so forth. It implies that these types of organizations are not so common. Therefore, the entrepreneurs should be aware of these organizations. Furthermore, these units are not contributing significantly to the state. They are lacking the required raw materials. This implies that efforts should be made to open the raw material depot, so that uninterrupted input supply can be made available. Proper development through skill upgradation and training is required in these organizations. Sole proprietors, cooperatives, and other organizations are not contributing to the exports of the state. It implies that they may not be aware of the export promoting schemes. Therefore, awareness programmes should be organized, and more concessions and subsidies should be granted to these organizations.

District-wise distribution of working enterprises by type of organization is shown in the Table 8. It is further observed from the table that Kangra had the maximum number of proprietary units followed by Shimla and Mandi. The state did not have significant contribution of partnership firms. District Solan had the maximum number of partnership firms, private companies, and public limited companies, which is further followed by district Sirmaur. It implies that partnership firms are not so common. This may be due to the reason that they are not aware about the benefits. Therefore, the entrepreneurs should be communicating the various benefits drawn

Table 7. Distribution of Principal Characteristics by Type of Organization

(Value in ₹ Crore)

Characteristics / Organization	No. of Working Enterprise	Employment	Original value of P & M	Market value of Fixed Assets	Gross Output	Total Input	GVA	Export	Net Worth
Proprietary or HUF	10909	30858	155.31	609.48	1396.11	908.16	487.64	8.00	891.41
Partnership	471	9785	122.40	337.58	2487.01	1655.61	834.58	64.97	1108.33
Pvt. Co.	305	12618	224.99	719.49	3954.06	2255.43	1703.75	46.92	1459.51
Pub. Ltd Co.	138	10418	226.73	1392.12	3705.76	2666.69	1034.06	192.11	1434.00
Cooperative	78	997	6.09	13.20	210.64	76.41	134.21	0.02	26.08
Others	30	472	4.69	10.48	27.38	13.26	14.12	0.00	13.40
Total	11931	65148	740.21	3082.36	11780.97	7575.56	4208.36	312.02	4932.72

Source : Ministry of Micro Small and Medium Enterprises (MSME). (2007). Fourth all India census of micro, small and medium enterprises (2006-2007): Unregistered Sector. New Delhi: Government of India.

Table 8. District-Wise Distribution of Working Enterprises by Type of Organization

District Name	Proprietary	Partnership	Private Co.	Public Ltd. Co.	Co-operative	Others	Total
Chamba	657	5	1	2	2	0	667
Kangra	2603	54	20	1	19	5	2702
Lahaul & Spiti	81	1	0	0	0	0	82
Kullu	564	28	7	4	23	8	634
Mandi	1377	31	11	14	12	8	1453
Hamirpur	987	2	1	1	1	1	993
Una	736	58	33	10	6	1	844
Bilaspur	867	13	1	0	0	2	883
Solan	582	157	155	73	8	1	976
Sirmour	688	97	69	27	1	4	886
Shimla	1461	23	5	5	5	0	1499
Kinnaur	306	2	3	0	1	0	312
Total	10909	471	305	138	78	30	11931

Source: Ministry of Micro Small and Medium Enterprises (MSME). (2007). Fourth all India census of micro, small and medium enterprises (2006-2007): Unregistered Sector. New Delhi: Government of India.

by partnership firms. Furthermore, it is observed that district Kullu leads in co-operatives and other types of firms. This shows that entrepreneurs of Kullu district believe in the societies which are formed through the co-operation of a number of persons. Therefore, efforts should be made to establish other type organizations, that is, sole proprietors, partnership and private companies, and so forth in district Kullu. Furthermore, it is noticed that the remaining districts had few cooperatives and other organizations. Therefore, proper awareness and guidance about these categories of organizations is needed in the remaining districts. As far as all these organizations are concerned, it can be concluded that districts Lahaul & Spiti and Kinnaur need to focus on setting up different types of firms running small scale units.

The participation of women in the small-scale industries (MSME) sector was identified in different roles. Some women were owners of enterprises and some were managers of the same. The total number of women enterprises in the SSI sector was 1310 (10.98 %). The estimated number of enterprises actually managed by women were 919 (7.70 %). The districts Mandi, Kangra, Shimla, Kullu, and Una accounted for about 67.94 % of the share of women entrepreneurs in the state. Whereas, in the case of enterprises managed by women, Mandi, Kangra, Shimla, and Bilaspur districts together had a share of 57.45%. The position of women's participation in management and entrepreneurship is given in the Table 9. Thus, it can be concluded that women's participation - in running and managing small scale units - was not significant in the state. In the district Lahaul & Spiti and

Table 9. Participation of Woman in Management/Ownership in the MSME Sector (District-Wise)

Name of District	No. of Enterprises Managed by Women	No. of Woman Enterprises
Chamba	45	79
Kangra	148	245
Lahaul & Spiti	21	26
Kullu	73	123
Mandi	204	281
Hamirpur	54	56
Una	55	105
Bilaspur	85	96
Solan	73	71
Sirmour	43	72
Shimla	91	136
Kinnaur	27	20
Total	919	1310

Source: Ministry of Micro Small and Medium Enterprises (MSME). (2007). Fourth all India census of micro, small and medium enterprises (2006-2007): Unregistered Sector. New Delhi: Government of India.

Kinnaur, the participation of women in entrepreneurship was very low. This may be due to the reason that majority of the women are engaged in agricultural activities. Furthermore, they may be lacking education, professional qualification, and entrepreneurial skills. Therefore, to improve the participation of women in the industrial sector, it is necessary that special entrepreneurship and management training programmes are organized for training the potential women entrepreneurs.

The Table 10 depicts the share of women's employment in different districts. The total number of female employees in this sector was estimated at 6481. The proportion of female employees in the small scale sector was of the order of 9.95%. The top five districts in terms of maximum female employment were Solan, Mandi, Kangra, Kullu, and Sirmour ; 79.20% of the women employees belonged to these five districts. District Kinnaur and Lahaul & Spiti had a minimum number of female employees. This may be due to the backwardness of these districts and women's involvement in the agricultural activities only. They lacked awareness about working in the small scale industries (MSMEs). Also, it is important to mention here that women have to deal with social and family restrictions regarding employment opportunities (here, working in and running small scale units). Therefore, proper awareness and guidance programmes may be organized to train women for taking up entrepreneurship in small scale industries. To make training convenient for women, special cells for training women should be opened. Moreover, free training camps may also be organized.

The Table 11 provides information on exports. It is estimated that in the registered small scale sector, there were 120 exporting units, which accounted for exports to the tune of ₹ 312.02 crore. The value of exports was only 2.65%. The exporting units were found in all districts under the study area, but district Solan, Sirmour, Shimla, Mandi, Una, and Kangra held the top positions. The district Solan accounted for 35.84% of the total exports from the state followed by Sirmour (18%). District Shimla, Una, Mandi, and Kangra contributed to the same percentage (10%) of the total exports from Himachal Pradesh. Therefore, industrial clusters and export promotion parks should be set up in different locations. These clusters should have centralized facilities like design centres, testing facilities, marketing support, and information hub, and so forth to boost the exports in these districts.

Conclusion

On the basis of the above discussion, it can be concluded that the district Kangra had the maximum concentration of small scale industries (MSME). Majority of the industries were located in rural areas. The majority of the

Table 10. Employment of Females in the MSME Sector (District-Wise)

District Name	No. of Female Employees
Chamba	95
Kangra	615
Lahaul & Spiti	55
Kullu	670
Mandi	815
Hamirpur	62
Una	560
Bilaspur	211
Solan	2431
Sirmour	602
Shimla	315
Kinnaur	50
Total	6481

Source: Ministry of Micro Small and Medium Enterprises (MSME). (2007). Fourth all India census of micro, small and medium enterprises (2006-2007): Unregistered Sector. New Delhi: Government of India.

Table 11. Distribution of Exporting Units in the MSME Sector (District-Wise)

Name of District	No. of Exporting Units	Percentage of Exporting Units
Chamba	4	3.33
Kangra	10	8.33
Lahaul & Spiti	1	0.84
Kullu	2	1.67
Mandi	10	8.33
Hamirpur	2	1.67
Una	10	8.33
Bilaspur	6	5
Solan	43	35.84
Sirmour	18	15
Shimla	10	8.33
Kinnaur	4	3.33
Total	120	100.00

Source: Ministry of Micro Small and Medium Enterprises (MSME). (2007). Fourth all India census of micro, small and medium enterprises (2006-2007): Unregistered Sector. New Delhi: Government of India.

entrepreneurs were sole proprietors. The state had maximum manufacturing units as compared to repair and services sector. As far as employment and contribution to gross output is concerned, District Solan was at the top position. There were a few units in the state, which had maximum contribution in terms of fixed capital, original value of plant & machinery, and gross output. Export earnings of the state were highly dependent on District Solan. District Mandi was at the top position as it had the maximum number of enterprises that were being run and managed by women. District Solan was leading in having maximum number of female employees employed in its units. Apart from this, the district had the maximum number of sick units. Therefore, appropriate efforts should be made for the smooth running of these units.

In this research, an attempt has been made to study the profile of small scale industries (MSMEs) in Himachal Pradesh. Since the present study is confined to the industrial units of Himachal Pradesh only; hence, the findings

may not be applicable to other parts of India. The secondary data has been collected from various sources. The reliability of information is dependent on the sources of information. Due to stringency of time and resources, the present research work was incapable to plug all the possible sources of errors.

Small scale industries have a tremendous scope of growth in Himachal Pradesh as they aid in increasing the economic growth of the state. The state government frames an industrial policy from time to time. It must be guided by the economic and social benefits accrued to small scale industries.

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